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December 12, 2005

AGENDA ITEM: 8a

TO: MEMBERS OF THE INVESTMENT COMMITTEE

- I. SUBJECT:** AIM Strategic Review – Proposed Action Plan
- II. PROGRAM:** Alternative Investment Management (AIM) Program
- III. RECOMMENDATION:** Direction from the Investment Committee to implement the proposed Action Plan
- IV. ANALYSIS:**

Attachment 1 contains the proposed Action Plan for the AIM Strategic Review. The report includes a summary of the key findings from the Strategic Review, an overview of proposed changes to the AIM Program, and a detailed action plan with timeline.

Pension Consulting Alliance (PCA), the Consultant to the Investment Committee on the AIM Program, has reviewed the report and concurs with the proposed action steps.

AIM Staff will present the report, and Staff and PCA will be available to answer any questions the Investment Committee may have.

V. STRATEGIC PLAN:

Goal VIII, manage the risk and volatility of assets and liabilities to ensure sufficient funds are available, first, to pay benefits and second, to minimize and stabilize contributions and Goal IX, achieve long-term, sustainable, risk-adjusted returns.

VI. RESULTS/COSTS:

Implementation of the Action Plan as proposed may result in increased consulting and 3rd party management costs. The costs have not yet been determined.

Prepared by:

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